

Jack Wilkinson-Dix
Net Zero Strategy (Decarbonisation) team
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

2 April 2026

Dear Jack,

DNOs' future role in supporting the rollout of low carbon technologies

We welcome the opportunity to respond to the above consultation and are responding by way of this letter.

ScottishPower is a major UK energy company with renewable generation, retail supply and networks businesses; we are a leading developer of wind power in the UK, and part of the Iberdrola Group, the world's leading renewables developer, and a global leader in tackling climate change, with a commitment to reaching carbon neutrality by 2040. We are the UK's first major integrated energy utility to be generating 100% renewable electricity, and we are committed to supporting our 4.2 million plus gas and electricity retail customers in making greener choices as part of the energy transition.

Through our networks business, SP Energy Networks (SPEN), we own and maintain the electricity transmission network in the Central Belt and south of Scotland (SP Transmission). We also own and operate the electricity distribution networks in the Central Belt and south of Scotland (SP Distribution), which serves approximately two million customers; in Merseyside, North Wales, Cheshire and North Shropshire (SP Manweb), which serves approximately one and a half million customers; and in the northwest of England (SP Electricity North West), which serves approximately two and a half million customers. SPEN is responding to this consultation separately from its perspective as an electricity distribution network owner and operator.

We are supportive of the focus on increased local co-ordination and regional planning to deliver an effective transition to greater electrification in the domestic housing sector, as envisaged in the Government's recently published Warm Homes Plan. Low carbon technologies (LCTs) such as solar PV, batteries and heat pumps, combined with complementary energy efficiency measures, can potentially offer benefits in a range of areas, including energy bill savings¹ for households, as well as to the energy system and the network through flexible usage. Delivered in the right way, a more co-ordinated area-based approach has the potential to reduce costs (through economies of scale and

¹: [Better Homes, Cooler Planet](#)

potentially reduced search costs) and can support network planning and management. In this context, DNOs will be a key partner for local authorities, and we welcome the recognition in the Warm Homes Plan that significant planning of, and investment in, electricity networks will be needed to underpin an effective transition towards greater electrification in the domestic housing sector.

A potential 'enhanced coordination' role for DNOs

We would highlight upfront that DNOs already have an important role in supporting the deployment of LCTs, through coordination activity as well as ongoing activity such as approving connections, delivering network upgrades and unlooping properties to enable the installation of LCTs. Our networks business, SPEN, through its 'Strategic Optimisation and Optioneering' team, introduced in ED2, already undertakes activity to support demand from local authorities to better understand the opportunities for LCT deployment in their areas, including in the context of developing local and regional energy plans. We are supportive of building on this work by introducing an enhanced coordination role for DNOs in ED3, which would see an expansion of these activities to further support key stakeholders engaged in LCT deployment.

With increased support potentially available for local authorities through the Warm Homes Plan, demand for DNO support, as well as services and tools, is likely to increase. Indeed, we would observe that in supporting an area-based approach it will be important for the Government to ensure local authorities are sufficiently resourced and equipped to manage an increased focus on local or regional LCT deployment as part of its Warm Homes Plan. An enhanced co-ordination role for DNOs, designed and funded appropriately, could support both LCT delivery and network planning as part of such an area-based approach focussed on local authorities. In this regard, we would also note that there may be opportunities to simplify, and possibly centralise, information provision to local authorities, which is likely to be of particular benefit where local authorities are interacting with multiple DNOs.

In addition, we note that the Consultation document also sets out Ofgem's interest in understanding how iDNOs could support enhanced coordination proposals. We support further exploration of the potential interaction between the proposals set out and iDNO activity, but would note that we consider that it is probably too early in the deployment of ICPs and iDNO models to consider extending these proposals to iDNOs. We would also note that, to the extent that iDNOs operate networks supplying domestic properties, these tend to be new build properties, where LCTs and insulation are more likely to be included and factored in to property connections (particularly given the Future Homes Standard legislation which is being phased in over the next few years).

A potential 'expanded' role for DNOs

With regard to the delivery of LCTs and energy efficiency measures to GB households, there is scope for a range of delivery models involving different stakeholders to support a strategic, area-based approach and we agree that it is sensible for Ofgem to explore options in this area through a series of pilots as part of ED3. As part of this, we agree that it makes sense to pilot in ED3 an expanded role for DNOs – ie one where DNOs take a more active role in household LCT adoption – through a range of options. We also agree that this merits further, more detailed consultation later this year (and associated engagement) from Ofgem on options for such an 'expanded role' so as to better understand the scope of each potential archetype.

While DNOs have more limited experience of 'behind the meter' activity, they are naturally well-placed to identify locations where deployment of LCTs could provide

network or system benefits, and a pilot approach under ED3 could usefully test the potential benefits of DNOs more actively directing delivery to these areas either directly, or through other actors (as is reflected in the range of illustrative archetypes set out in the consultation). Such a piloting approach would help identify and assess the challenges and opportunities associated with different models or archetypes, both for the operation of the network and for consumers. It will also allow Ofgem to test whether DNO activity could effectively complement other delivery routes.

In this context, we would note that the driver/s for any expanded role for DNOs will need to be clearly set out ahead of any pilots being taken forward, so that they can be clearly defined and tested. In particular, Ofgem will need to be clear on the balance between assessing benefits to the network and/or wider energy system and other benefits, such as focusing support on low income households, given that these may not always align. The question of how DNO support to deploy LCTs will translate into actual system or network benefits, given LCTs will likely need to be operated flexibly/optimally to deliver these benefits, is also particularly relevant to assessing the expanded role options. Careful consideration of the approach to asset ownership and operation under the different options and archetypes will therefore be needed to determine how system and network benefits can be achieved, whilst also taking into account the needs and preferences of individual consumers. As the consultation notes, DNO pilots should also include partnerships with other key actors in this area such as energy retail suppliers, installers and flexibility providers/aggregators.

The role for energy suppliers in supporting adoption of LCTs as part of an area-based approach

From our corporate perspective, we consider that a pilot approach should very much involve co-ordination with other key stakeholders who have a long track record of being closely involved in promoting the effective roll-out of LCTs to households, including energy retail suppliers, as well as local authorities. We consider that energy supplier delivery can complement a role for DNOs in supporting LCT delivery as part of an area-based approach, working with local authorities. Energy retail suppliers have direct relationships with consumer households and information on consumption). They are also well placed to assess potential benefits to customers from installing LCTs and link the adoption of LCTs to propositions and tariffs that can provide both consumer-level energy bill savings as well as potential wider system benefits through flexible operation of LCT assets. There may also be opportunities associated with increased co-ordination between energy suppliers and DNOs. For example, DNO planning support tools made available to local authorities could be shared with energy suppliers and potentially other parties to support join-up on opportunities for LCT deployment as part of an area-based approach. Energy suppliers also have considerable experience in co-ordinating the delivery of LCTs (and complementary insulation measures) through the ECO scheme, and can build on existing relationships with the supply chain to support area-based delivery.

Lastly, we would reiterate that it will be important for Ofgem to provide timely visibility on its policy appetite for further work in this area, and detail on any options that might be taken forward under a pilot approach as part of a further consultation. For DNOs, Ofgem will also need to provide sufficient detail on its plans as part of its Business Plan Guidance to enable DNOs to plan effectively for ED3. Clear visibility on the direction of travel in this area will also be beneficial to energy suppliers, installers and local authorities already involved in the deployment of LCTs.

If you have any questions about any aspect of this response, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink that reads "Richard Sweet". The signature is written in a cursive, flowing style.

Richard Sweet
Director of Regulatory Policy